

# The Business Plan

## Title Page

Consists of your Business Name, Logo, and Address. Make sure to include your name as the owner.

## Table of Contents

Clearly label each section of the business plan and any subheadings. Include page numbers so readers can easily identify where to locate specific portions of the plan.

## Executive Summary

This section briefly tells your reader what your company does, where you want to take it, and why your business idea will be successful. If you are seeking financing, the executive summary is also your first opportunity to grab a potential investor's interest. Items that need to be present in your Executive Summary include:

- Present an overview of why you chose to become an Entrepreneur.
- Introduce your potential investors to the idea that you had for starting a business. Discuss the needs of your Target Market and how you feel that your business idea will be able to satisfy those needs successfully.
- Introduce what type of business you decided on, connect it to the idea that you had and the needs that you are trying to satisfy in the marketplace. **(Make sure you touch on whether or not it is a Starting a New Business, Licensing, Purchasing, or a Franchise.)**
- Explain and convince your readers how your business will be successful by emphasizing your competitive advantage. Then, provide insight into the future growth of the business in what you expect it to be and how you will accomplish your goals

## Mission, Vision, and Culture

In this section, provide your potential investors with an insight into what will guide your business. Include the following:

**Mission Statement** - Clarify the direction and goals of the business. This should be no longer than a paragraph, in bullets or another format that demonstrates a clear purpose of your business. Use the foundations discussed of a Mission Statement (People, Profitability, Growth, Survival, Offerings, etc..)

**Values & Culture** - Using the guidance from the Mission Statement to define the beliefs, values, core structure, and overall focus of the company. Help the reader discover what the business and its people believe in.

## Company Description

Inform your potential investors and other outsiders about the background of the company. This section will focus on the foundation of the business, what your business provides, and its competitive advantages. Include the following:

- Describe the who, what and how of the business. Explain why you thought that this business would be a great opportunity for the area and where your idea came from.
- Share with the investor what type of ownership your business has decided on (Partnership, Proprietorship, LLC, S or C Corporation, etc..) and explain why to provide the investors insight into the advantages of the ownership type.
- Explain to your readers **at least 3** competitive advantages that your business will have and what makes these unique to your business. Be specific and explain how you will stand out! In a sense, what will make your business defensible.

## Opportunity Analysis & Research

Your opportunity analysis should demonstrate to the reader your analysis into your industry, competitors, target market, and demonstrate how you determined your competitive advantages. This section should share:

- Discuss why you felt you should enter the industry you decided on and provide reasons to support your decision. Use real examples to help demonstrate the status of the industry and its possibility for growth.
- Include a description of your interview experience. Who did you interview? What did you want to learn? What insights did you gain from the experience. Provide the reader with the knowledge you gained from them and how it will influence your business decisions.
- Provide the investor an Opportunity Analysis to help the reader understand where your opportunities are within the industry. Use your industry and competition as a basis for comparison while demonstrating either a **qualitative or quantitative approach** when showing where your opportunities are available. **(Include comparison in the Appendix)**
- Reference your Marketing Research Tool and data you will gather from your potential customers. **(Primary Source - Feedback Survey or Reward Program)** Discuss what you will learn about the target market and prospective customers, and explain how you will use that data in the decision making process for your business. **Include the Primary Source in the Appendix.**

- Define your Target Market(s). Describe your procedure for determining the target market(s) that your business is focusing on satisfying. **Identify the needs/wants** that the target markets have and explain how your business meets the specific needs of that market. For the target markets include specific characteristics about 2 of your target markets (Demographics, Psychographics, Geographic, and Behavioral) **and tell their story. Include the Personas in the Appendix.**

## **Marketing Strategy (The Marketing Mix)**

Create the Marketing Mix that will help your business establish its competitive advantage and follow the Marketing Concept of Identifying Customer Needs, Creating a Product/Service that satisfies those needs, and execute these items profitably.

- Develop your brand by creating your business' logo and discuss how you will work to develop your brand with specific references to activities and promotional tools. What do you want people to think of when they see your brand (Perception) . Be specific and provide examples to the reader. **\*Include the different forms of your Logo in the Appendix**

### **Product**

- Provide your readers with a summary of the products/services that you provide customers that will be able to satisfy their needs.  
**\*\* Use a summary here, include the full listings in the Appendix**
- **For 3 of your major offerings identify the following:** What need is being satisfied for the target market, how did you determine the need and what are the **8 elements** of the product that we discussed so the investor can recognize what will be going into the new products/service. Be detailed here so the investor can see you are prepared for what is needed for each product/service.
- Describe a new product offering for your business, how it will be successful for your target market and fit in with the Brand.

### **Price**

- Explain your pricing **strategy** for your franchise. What are you going to focus on in regards to making a profit with the products/services available to customers? Explain.
- Demonstrate your knowledge of the pricing strategy in what are considered your core revenue products where you make little margin and what items allow you to maximize your margin. Be detailed in your response include real examples from your offerings.
- For the one product/new product offering, demonstrate the Economics of One Unit. Describe how determining the Economics of One Unit helps you with decisions in regards to COGS and how to set your prices for your different products. Show how this new offering will work in the business. **\*\*Include this work in your Appendix.**
- Included your general pricing list in the **Appendix**

## Promotion

- Share with the reader your Marketing Budget, what your plans are regarding the money available and what tools you will use in creating an effective promotional mix.
- What are the message(s) that you are sending that you want the customer / target markets to hear. Why did you decide on these message(s) for your business? Explain.
- Describe the tactics used in implementing your marketing message(s) and why you chose them for your target market. What tools, where, when, how often, etc... Then, create the following Promotional Items and place them in your Appendix:

### **1 - Advertisement**

#### **1 - Form of Publicity (Press Release, News Story, etc..)**

**Grand Opening Event** - Describe the event, when and what will occur, any promotions needed, and what else you will need to open of the Business with a bang!

## Place

- Include your location and why you decided that this is the best way to reach your customers. Include your advantages and disadvantages of the location, the accessibility of the business to the potential customers. Describe the area and the overall appearance and layout of the building / lot.  
\*\*\***Include a map of your Location in the Appendix - Show supports**  
\*\*\***Include your design of the business space in the Appendix (Professionalism)**
- Discuss and explain currently how you will connect with your customers. If a franchise, also describe **new ways** to reach your target market and potential customers. Why are these the best fit for your business?
- Analyze your competition in the area and describe what other options that customers may have. Then, explain why you feel that you will be successful in that location even with competition present.

## Operations/Management

The day to day operations of the business. Include the following:

- Customer Service - Identify the values that will be used in interacting with customers. What will you be doing to keep customers satisfied and return customers? Use examples to help the investor understand why your strategy will be successful in bringing people back as return customers instead of one time users.

- Describe how you will handle complaints and customer issues in your store. Support your response with specific examples and describe how you will use complaints and feedback to better your business.
- Provide the positions that will be needed for the business and describe their roles. Make sure to identify the number of employees and positions.
- Prepare job postings with the job description, requirements/expectations, and benefits for **TWO** of the roles. \*\*\*\***Include the job postings in the Appendix. Then,** describe the hiring process for potential candidates.
- Describe your role within your business. What can we expect as potential investors from you in terms of your function/role within the business. What will you be doing and provide specific activities.
- Identify the hours and availability of the business to its customers. (Holidays, Weekends, catering, etc....)
- Explain the Insurance Policy provided by State Farm and what forms of insurance are needed. Describe the importance of having the right insurance policies that protect your business and employees.
  - **Include your Quote in the Appendix.**

## Financials

**Start Up Costs** - Provide the reader with information regarding your Start Up Costs. Describe your needs and what will be required by you to open doors on day one AND maintain the business for the first 3 months. Share your **Start Up Cost and Operating Costs in your Appendix.**

**Income Statement, Balance Sheet and Cash Flow Statement**- Provide the reader with information regarding your potential income for the first year of the business. From the first year's Pro Forma Statements, describe how you will plan to grow your business and what we as investors will see happen. **Connect this to the Pro Forma Income Statement in the Appendix.**

- Describe how the growth will occur, speaking to the sustainability of your business idea.
- Solve for the Current Ratio, Working Capital, and Income Ratios (Gross Profit, EBIT, COGS). Use the ratios to support your financial success and sustainability.
- How will you pay yourself (Income of the business, Salary, etc...) Describe this to the investors.

## **Funding Request**

- You should explicitly state the amount of funds that you need for your business based on all of your financial projections. Clearly identify the type of funding needed including what you will provide, the amount in loans that you will need, and the assistance that you are looking for from investors.
- In terms of each type of funding, specifically state how you are going to use the funding, how long it will be used for and what are the plans to pay back your investors. What type of return should they expect on their investment?

## **Appendices - Items to include**

Pro Forma Income Statement, Balance Sheet and Cash Flow

Start Up Costs

Advertisements/Promotional Tools

Publicity - Press Release

Grand Opening Event Description

Insurance Quote

Economics of One Unit

Products/Pricing Guide List

Map of your Location

Building/Facility Design

Job Postings - 2

Logos - Different Forms

Price List

Primary Source Research Form